

**FILED**

**JUN 21 2007**

**STATE OF INDIANA**

**INDIANA UTILITY REGULATORY COMMISSION**

**INDIANA UTILITY  
REGULATORY COMMISSION**

**IN THE MATTER OF THE PETITION OF )  
THE BROWN COUNTY WATER )  
UTILITY, INC. FOR APPROVAL OF A )  
NEW SCHEDULE OF WATER RATE )  
AND CHARGES AND TO INCUR )  
FINANCING INDEBTEDNESS. )**

**CAUSE NO.43203**

**THE BROWN COUNTY WATER UTILITY, INC.**

**PREFILED SETTLEMENT TESTIMONY**

**OF**

**PATRICK CALLAHAN, CPA**

**AND**


**MICHAEL MEYERS, PE**

**JUNE 21, 2007**

**CERTIFICATE OF SERVICE**

This is to certify that a copy of the foregoing **Brown County Water Utility, Inc. Settlement Testimony** has been served upon the following parties of record in the captioned proceeding by electronic mail or US mail on June 21, 2007.

Karol H. Krohn  
Indiana Office of Utility Consumer Counselor  
100 N. Senate Ave., Rm. N501  
Indianapolis, IN 46204-2215

 (By: KHK)  
\_\_\_\_\_  
Stan B. Hirsch

Stan B. Hirsch  
Attorney at Law  
4911 East 56<sup>th</sup> Street  
Indianapolis, IN 46220

**Cause No. 43203**

**PREFILED SETTLEMENT TESTIMONY OF PATRICK CALLAHAN, CPA**

**FILED ON BEHALF OF THE  
BROWN COUNTY WATER UTILITY, INC.**

PREFILED SETTLEMENT  
TESTIMONY AND EXHIBITS OF  
PATRICK CALLAHAN, CPA

On Behalf of

BROWN COUNTY WATER UTILITY, INC.  
IURC Cause No. 43203

BEFORE THE INDIANA UTILITY REGULATORY COMMISSION

1 1. Q. Would you please state your name and business address?

2 A. My name is Patrick Callahan. My business address is  
3 318 Park Street, Westfield, Indiana 46074.

4 2. Q. Are you the same Patrick Callahan that provided pre-  
5 filed testimony in this Cause on March 19, 2007?

6 A. Yes, I am.

7 3. Q. Have you reviewed Public's Exhibit Nos. 1, 2 and 3  
8 submitted in Cause No. 43203 which constitutes the pre-  
9 filed testimony of Harold H. Riceman, Harold L. Rees  
10 and Edward R. Kaufman respectively?

11 A. Yes.

12 4. Q. In your capacity of serving as a consultant for Brown  
13 County Water Utility, Inc. ("Petitioner"), have you  
14 reviewed the above testimony and developed a proposal  
15 that deals with many of the issues raised in Mr.  
16 Riceman's testimony?

17 A. Yes.

18 5. Q. In the process of your review, have you determined that  
19 it is important to the ratepayers of Petitioner that  
20 the debt service for a State Revolving Fund (SRF) loan  
21 in the amount of Two Hundred Seventy Thousand Six  
22 Hundred Fifteen Dollars (\$270,615) be included in the  
23 rate structure?

24 A. Yes. It is important that the \$270,615 be included in  
25 rates, so that Petitioner will be able to pay its  
26 principal and interest payments to the State Revolving  
27 Fund (SRF) program in a timely fashion. Although all  
28 the SRF funds have not been drawn down by Petitioner,  
29 Petitioner is required to make scheduled principal and  
30 interest payments to the SRF program. Petitioner has  
31 paid its 2003, 2004, 2005 and 2006 principal and  
32 interest payments to SRF. In two weeks, on July 1,  
33 2007, Petitioner will be required to make a principal  
34 payment of \$180,000 plus interest. Approximately six  
35 months later on January 1, 2008, Petitioner will be  
36 required to make another interest payment.

37 I would agree with the OUCC's position that the  
38 principal and interest payments not be included in the  
39 first phase, if Petitioner was not making any payments  
40 on the SRF loan. But that is not the case; Petitioner

is paying, and has paid, scheduled SRF obligations based on the SRF loan documents. If the \$270,615 revenue requirement for the SRF loan is eliminated from the first phase, Petitioner will likely default on its obligation. It is imperative that this amount be included in the first phase.

6. Q. Since Petitioner has not borrowed all of the SRF funds, will Petitioner pay the full \$270,615 per year for principal and interest payments?

A. No, not initially. Petitioner will not have to pay the full \$270,615 until all of the SRF funds have been borrowed. However, based on the consulting engineer's construction timeline, all remaining SRF funds will be used for construction projects within the next six to eighteen months. At that point, Petitioner will be required to pay \$270,615 per year for the life of the SRF loan.

7. Q. If Petitioner does not have to pay the full \$270,615 principal and interest obligation on the SRF loan until all of the SRF funds are borrowed, what should be done with the excess?

A. In the short-term, the actual SRF principal and interest payments will be less than the \$270,615. Although the principal payment is fixed, based on the

65 loan documents, the interest payments will vary until  
66 all funds are borrowed. The excess (\$270,615 less the  
67 actual principal and interest payments made) will be  
68 credited to the "Debt Service Reserve" account and  
69 offset any debt service reserve requirement on the  
70 proposed United States Department of Agriculture Rural  
71 Development Administration (USDA-RDA) loan. The  
72 revenue requirements for the annual principal &  
73 interest and debt service reserve payments on the  
74 USDA-RDA loan will be deferred until phase 2. Any  
75 excess collections will be used to reduce the USDA-RDA  
76 debt service reserve requirement in phase 2.

77 8. Q. In the event Petitioner does not follow through on its  
78 SRF projects and doesn't use the SRF funds and is  
79 cancelled by SRF, should the rates and charges be  
80 adjusted?

81 A. Yes. In the event the SRF loan is cancelled,  
82 Petitioner will notify the OUCC and IURC within seven  
83 days and promptly file revised tariff reflecting the  
84 reduction of \$270,615 annually.

85 9. Q. Have you developed a pro-forma revenue requirement to  
86 allocate a proposed rate increase through a phase in  
87 increase process in two (2) steps?

88 A. Yes.

89   10.   Q.   Please explain.

90           A.   I have attached Petitioner's Exhibit PC-1 to explain  
91               the two-step increase. I agree with Mr. Riceman's  
92               overall proposed increase. Petitioner filed its rate  
93               petition with the Indiana Utility Regulatory Commission  
94               requesting an increase of 48.70% over its present rates  
95               and charges. Column A reflects Petitioner's revenue  
96               requirements as filed on March 19, 2007. In Columns B,  
97               C, and D, I have reported the OUCC's 3-phase increases  
98               with Column E presenting their overall increase of  
99               44.32%. I am proposing to combine OUCC's phases 1 and  
100              2.

101             The main difference between their phase 1 and 2 is the  
102             inclusion of the annual debt service on the SRF loan.  
103             The OUCC eliminated the \$270,615 annual SRF debt  
104             service payment from phase 1, since all of the SRF loan  
105             money has not been expended by Petitioner. Petitioner  
106             will have to pay interest on the funds borrowed from  
107             SRF. I would agree with the OUCC that the interest  
108             payments are reduced somewhat since Petitioner has not  
109             borrowed all of the funds; however, a review of the  
110             consulting engineer's construction timeline shows those  
111             funds will be expended significantly in 2007 and 2008.  
112             Once the borrowed funds are spent, the interest  
113             payments will increase dramatically and combined with

114 the annual principal payment, the \$270,615 revenue  
115 requirement will be needed. Petitioner will need the  
116 \$270,615 included in rates now so that these funds can  
117 be collected from the customers over the next twelve  
118 months, to ensure that the next principal and interest  
119 payments are made in a timely manner.

120 As mentioned earlier, Petitioner is currently paying  
121 its annual principal and interest payment to SRF, and  
122 has done so since 2003. Petitioner will be required to  
123 pay principal of \$180,000 plus the accrued interest on  
124 July, 1, 2007. One year later, on July 1, 2008,  
125 Petitioner will be required to pay principal of  
126 \$190,000 plus accrued interest. By eliminating this  
127 revenue requirement in phase 1, Petitioner would not be  
128 able to pay the required principal and interest  
129 payments due to SRF. Furthermore, absent this revenue  
130 requirement, Petitioner would not meet its coverage  
131 requirement on its outstanding debt.

132 In Columns F and G, I have proposed a 2-phase increase.  
133 The first phase includes the \$270,615 revenue  
134 requirement for the SRF debt. I have agreed to all of  
135 the other revenue requirements proposed by the OUCC.  
136 Under the proposed phase 1 increase, the current rates  
137 and charges will be increased by 23.68%, followed by a  
138 phase 2 increase of 16.68% over the phase 1 rates and

139 charges. The phase 2 rates will be implemented  
140 approximately two months before the USDA-RDA loan  
141 closing. The total increase (Column H, line 31) agrees  
142 with the OUCC total increase (Column E, line 31).

143 11. Q. Does this conclude your pre-filed settlement testimony?

144 A. Yes.

## Schedule PC-1

**BROWN COUNTY WATER UTILITY, INC.**  
Helmsburg, Indiana

**PRO-FORMA REVENUE REQUIREMENTS AND PROPOSED INCREASES**  
(Phase-In Increases)

| Line No.   | Pro-Forma Revenue Requirements               | PETITIONER'S<br>Filing<br>Col. A | OUCC's Filing     |                   |                   |                          | SETTLEMENT PROPOSAL |                   |                          |
|--|--|----------------------------------|-------------------|-------------------|-------------------|--------------------------|---------------------|-------------------|--------------------------|
|  |  |                                  | Phase 1<br>Col. B | Phase 2<br>Col. C | Phase 3<br>Col. D | Total Increase<br>Col. E | Phase 1<br>Col. F   | Phase 2<br>Col. G | Total Increase<br>Col. H |
| 1  | Operation and Maintenance Expenses           | \$ 1,970,507                     | \$ 1,842,915      | \$ 1,853,347      | \$ 1,899,970      | \$ 1,899,970             | \$ 1,853,347        | \$ 1,899,970      | \$ 1,899,970             |
| 2  |  |                                  |                   |                   |                   |                          |                     |                   |                          |
| 3  | Amortization Expense                         | 11,306                           | 11,306            | 11,306            | 11,306            | 11,306                   | 11,306              | 11,306            | 11,306                   |
| 4  |  |                                  |                   |                   |                   |                          |                     |                   |                          |
| 5  | Taxes other than Income                      | 32,784                           | 32,784            | 32,784            | 32,784            | 32,784                   | 32,784              | 32,784            | 32,784                   |
| 6  |  |                                  |                   |                   |                   |                          |                     |                   |                          |
| 7  | Historical Extensions & Replacements         | 370,176                          | 354,132           | 354,132           | 354,132           | 354,132                  | 354,132             | 354,132           | 354,132                  |
| 8  |  |                                  |                   |                   |                   |                          |                     |                   |                          |
| 9  | Debt Service - Revenue Bonds Series 1996 - F | 204,487                          | 204,487           | 204,487           | 204,487           | 204,487                  | 204,487             | 204,487           | 204,487                  |
| 10   |  |                                  |                   |                   |                   |                          |                     |                   |                          |
| 11   | Debt Service Build Indiana Funds             | 191,275                          | 191,275           | 191,275           | 191,275           | 191,275                  | 191,275             | 191,275           | 191,275                  |
| 12   |  |                                  |                   |                   |                   |                          |                     |                   |                          |
| 13   | Debt Service - SRF                           | 270,615                          | -                 | 270,615           | 270,615           | 270,615                  | 270,615             | 270,615           | 270,615                  |
| 14   |  |                                  |                   |                   |                   |                          |                     |                   |                          |
| 15   | Debt Service - Rural Development (Proposed)  | 387,475                          | -                 | -                 | 372,339           | 372,339                  | -                   | 372,339           | 372,339                  |
| 16   |  |                                  |                   |                   |                   |                          |                     |                   |                          |
| 17   | Debt Service Reserve                         | 34,530                           | -                 | -                 | 34,530            | 34,530                   | -                   | 34,530            | 34,530                   |
| 18   |  |                                  |                   |                   |                   |                          |                     |                   |                          |
| 19   | Working Capital                              | 17,646                           | 20,868            | 21,302            | 22,468            | 22,468                   | 21,302              | 22,468            | 22,468                   |
| 20   |  |                                  |                   |                   |                   |                          |                     |                   |                          |
| 21   | Pro-Forma Revenue Requirements               | \$ 3,490,801                     | \$ 2,657,767      | \$ 2,939,248      | \$ 3,393,906      | \$ 3,393,906             | \$ 2,939,248        | \$ 3,393,906      | \$ 3,393,906             |
| 22   | Less: Town of Nashville - Facility Charges   | 135,168                          | 135,168           | 135,168           | 135,168           | 135,168                  | 135,168             | 135,168           | 135,168                  |
| 23   | Other Operating Revenues                     | 42,656                           | 42,656            | 42,656            | 42,656            | 42,656                   | 42,656              | 42,656            | 42,656                   |
| 24   | Recurring Interest Income                    | 36,372                           | 36,372            | 36,372            | 36,372            | 36,372                   | 36,372              | 36,372            | 36,372                   |
| 25   |  |                                  |                   |                   |                   |                          |                     |                   |                          |
| 26   | Adjusted Pro-Forma Revenue Requirements      | \$ 3,276,605                     | \$ 2,443,571      | \$ 2,723,052      | \$ 3,179,710      | \$ 3,179,710             | \$ 2,723,052        | \$ 3,179,710      | \$ 3,179,710             |
| 27   | Less: Present Rate Revenues                  | 2,203,228                        | 2,203,228         | 2,443,571         | 2,725,052         | 2,203,228                | 2,203,228           | 2,725,052         | 2,203,228                |
| 28   |  |                                  |                   |                   |                   |                          |                     |                   |                          |
| 29   | Increase Required - \$                       | \$ 1,073,377                     | \$ 240,343        | \$ 281,481        | \$ 454,658        | \$ 976,482               | \$ 521,824          | \$ 454,658        | \$ 976,482               |
| 30   |  |                                  |                   |                   |                   |                          |                     |                   |                          |
| 31   | Increase Required - %                        | 48.7%                            | 10.91%            | 11.52%            | 16.68%            | 44.32%                   | 23.68%              | 16.68%            | 44.32%                   |
| 32   |  |                                  |                   |                   |                   |                          |                     |                   |                          |
| <b>MONTHLY WATER BILL</b><br>(Based on 4,000 gallons of usage) |  |                                  |                   |                   |                   |                          |                     |                   |                          |
| 33   |  |                                  |                   |                   |                   |                          |                     |                   |                          |
| 34   |  |                                  |                   |                   |                   |                          |                     |                   |                          |
| 35   |  |                                  |                   |                   |                   |                          |                     |                   |                          |
| 36   | Current Monthly Bill                         | \$ 36.36                         | \$ 36.36          | \$ 40.33          | \$ 44.97          | \$ 36.36                 | \$ 36.36            | \$ 44.97          | \$ 36.36                 |
| 37   | Proposed Increase                            | 17.72                            | 3.97              | 4.65              | 7.50              | 16.11                    | 8.61                | 7.50              | 16.11                    |
| 38   |  |                                  |                   |                   |                   |                          |                     |                   |                          |
| 39   | Proposed Monthly Bill                        | \$ 54.08                         | \$ 40.33          | \$ 44.97          | \$ 52.47          | \$ 52.47                 | \$ 44.97            | \$ 52.47          | \$ 52.47                 |

**Cause No. 43203**

**PREFILED SETTLEMENT TESTIMONY OF MICHAEL MEYER, PE**

**FILED ON BEHALF OF THE  
BROWN COUNTY WATER UTILITY, INC.**

**PREFILED SUPPLEMENT TO DIRECT  
TESTIMONY AND EXHIBITS OF  
MICHAEL MEYER, P.E.**

**On Behalf of  
BROWN COUNTY WATER UTILITY, INC.  
IURC Cause No. 43203  
BEFORE THE INDIANA UTILITY REGULATORY COMMISSION**

- Q. 1. Please state your name and business address.
- A. My name is Michael Meyer, and my business address is 629  
Washington Street, Columbus, IN 47201
- Q. 2. What is your occupation and for whom are you employed?
- A. I am a Civil Engineer employed by Strand Associates.
- Q. 3. Have you been retained by Brown County Water Utility, Inc.?
- A. Yes. Our firm was retained to determine the best method of  
resolving the need for additional groundwater supply and  
treatment capacity that meets the operating guidelines  
issued by the Indiana Department of Environmental  
Management (IDEM). As a part of our review, our firm  
conducted a study of the petitioner's operations and capital  
improvements.

Q. 4. Have you reviewed a construction schedule for the completion of a project that is funded by what is known as SRF Funds?

A. Yes

Q. 5. Have you prepared a construction time line and description of the projects that will be completed to draw down the balance of the SRF funds?

A. Yes

Q. 6. Please describe and outline that project if you could.

A. The SRF Projects are identified in Table 1. This table outlines the projects by project phase, component description, PER cost estimate, construction status and design status.

The projects were then identified by priority with respect to need, number of new customers associated with the component and status of design. Cost estimates were updated using Engineering News Record (ENR) construction cost indexes. Cost indexes from the period the PER was developed, current index values and where known, actual bid prices were used. The costs were updated by taking the current ENR indexes and dividing it by the index which was in place at the time of the original estimate. This ratio was then multiplied times the original cost estimate to derive the estimated current cost for each phase of construction.

These values are shown in table 2. Due to the increase in construction costs, not all of the original project components could be completed based on the amount of funds remaining.

Table 3 is a time line showing the estimated construction period.

Table 4 is an estimated draw schedule based on the projected construction period, projected construction costs and my professional experience with contracts of this type. It assumes that the projects will be bid in two phases.

Q. 7. Will the projects that will be completed pursuant to the construction outline referenced in your testimony above serve the needs of the rate payers of Brown County Water Utility, Inc.

A. Yes

Q. 8. Will the completion of the projects outlined and referenced in your attachment herein remove the last portions of the previously issued Indiana Department of Environmental Management (IDEM) moratorium order.

A. Yes

Q. 9. Have you reviewed the pre-filed testimony of Harold L. Rees tendered under cause number 43203 in this matter?

A. Yes

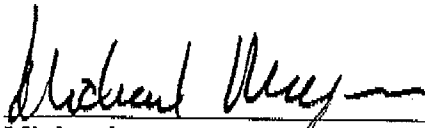
Q. 10. On page 14 and 15 of public's exhibit 2, there are certain summary of recommendations tendered by the OUCC staff. Have you reviewed those recommendations and do you concur with those recommendations.

A. Yes.

1. In fact we believe that recommendation number 1 regarding unaccounted for water and a quarterly report filed with the office of the OUCC showing the percentage of unaccounted for water during the previous 12 months is reasonable and I would concur that it is important information for the utility to retain.

2. I concur that Brown County Water Utility, Inc. as a matter of practice should replace meters on a twelve (12) year cycle instead of the current seven (7) year cycle.
3. I concur and have previously discussed with Brown County Water Utility, Inc. that it form a water conservation committee to develop a five (5) year water conservation plan.
4. I do agree and recommend that the Brown County Water develop a written list of activities and a proposed schedule for a leak detection program and this should be submitted to the IURC and OUCC.

I affirm, under the penalties for perjury, that the foregoing testimony is true and correct.

  
Michael Meyer, P.E.

BROWN COUNTY WATER UTILITY, INC.  
STATE REVOLVING FUND  
AND  
BUILD INDIANA FUND  
TABLE 1

| PROJECT   | DESCRIPTION                   | PER<br>ESTIMATED<br>PROJECT COST | STATUS              |                                     |
|---|-------------------------------|----------------------------------|---------------------|-------------------------------------|
| A-1   | HAGGARD ROAD                  | \$15,397                         | COMPLETED           |                                     |
| A-1   | BECKS GROVE ROAD              | 30,794                           | COMPLETED           |                                     |
| A-1   | POPLAR GROVE ROAD             | 128,255                          | COMPLETED           |                                     |
| A-2   | RICHARDS GROVE ROAD           | 91,400                           | COMPLETED           |                                     |
| A-2   | CARMEL RIDGE-BEAR CREEK       | 159,803                          | COMPLETED           |                                     |
| A-2   | BEAR CREEK-SLIPPERY ELM       | 208,157                          | COMPLETED           |                                     |
| A-3   | SWEETWATER TRAIL              | 185,635                          | COMPLETED           |                                     |
| A-3   | MT. MARIAH ROAD               | 128,091                          | COMPLETED           |                                     |
| A-3   | PERSIMMON RIDGE ROAD          | 38,198                           | COMPLETED           |                                     |
| A-3   | GREEN ROAD                    | 95,315                           | COMPLETED           |                                     |
| A-3   | FORD RIDGE                    | 31,253                           | COMPLETED           |                                     |
| A-3   | VAUGHT ROAD                   | 24,111                           | COMPLETED           |                                     |
| A-3   | UPPER SALT CREEK ROAD         | 45,143                           | COMPLETED           |                                     |
| A-3   | GOLD POINT ROAD               | 28,485                           | COMPLETED           |                                     |
| A-3   | OFFICE BUILDING               | 200,000                          | COMPLETED           |                                     |
| A-5   | UPPER SALT CREEK              | 68,403                           | COMPLETED           |                                     |
| A-6   | FRUITDALE ROAD                | 41,118                           | COMPLETED           |                                     |
| A-6   | SMITH ROAD                    | 101,793                          | COMPLETED           |                                     |
| PER ESTIMATED PROJECT COST<br>COMPLETED PROJECTS    |                               | \$1,621,351                      |                     |                                     |
| A-6   | LAKE LEMON WATER STORAGE TANK | \$283,500                        | UNDER CONTRACT      |                                     |
| A-3   | MT. NEBO BOOSTER              | 37,800                           | NEARLY READY TO BID | IDEM Submission to Bid<br>6/30/2007 |
| A-5   | WALLOW HOLLOW ROAD            | 233,415                          | NEARLY READY TO BID | 6/30/2007                           |
| A-5   | CLAY LICK ROAD                | 194,201                          | NEARLY READY TO BID | 6/30/2007                           |
| A-5   | TIMBER CREST ROAD             | 176,806                          | NEARLY READY TO BID | 6/30/2007                           |
| A-5   | SALT CREEK ROAD               | 106,634                          | NEARLY READY TO BID | 6/30/2007                           |
| A-5   | CLAY LICK-TIMBER CREST        | 115,970                          | NEARLY READY TO BID | 6/30/2007                           |
| PER ESTIMATED PROJECT COST<br>NEARLY READY TO BID   |                               | \$864,826                        |                     |                                     |
| A-6   | UNITY CHURCH-BITTERSWEET      | \$574,119                        | 90% DESIGN          | 9/30/2007                           |
| A-6   | HOMESTEAD ROAD                | 88,452                           | 90% DESIGN          | 9/30/2007                           |
| A-6   | GATEVILLE ROAD                | 107,371                          | 90% DESIGN          | 9/30/2007                           |
| A-6   | GEORGETOWN ROAD BOOSTER       | 88,200                           | 80% DESIGN          | 9/30/2007                           |
| A-4   | GATESVILLE ROAD               | 68,796                           | 0% DESIGN           |                                     |
| A-4   | HOOVER ROAD                   | 375,430                          | 0% DESIGN           |                                     |
| A-4   | MT. LIBERTY ROAD              | 313,268                          | 85% DESIGN          |                                     |
| A-4   | HAPPY HOLLOW CAMP TRAIL       | 112,039                          | 85% DESIGN          |                                     |
| A-4   | HAPPY HOLLOW TANK             | 403,200                          | 0% DESIGN           |                                     |
| PER ESTIMATED PROJECT COST<br>OF REMAINING PROJECTS |                               | \$2,130,875                      |                     |                                     |
| PER TOTAL ESTIMATED PROJECT COST                    |                               | \$4,900,552                      |                     |                                     |

BROWN COUNTY WATER UTILITY, INC.  
 UPDATED ESTIMATED CONSTRUCTION COST  
 FOR STATE REVOLVING FUND

TABLE 2

| PROJECT | DESCRIPTION                   | PER<br>ESTIMATE | CONSTRUCTION<br>ESTIMATE |
|---------|-------------------------------|-----------------|--------------------------|
| A-3     | MT. NEBO BOOSTER              | \$33,000        | \$41,200                 |
| A-5     | WALLOW HOLLOW ROAD            | 171,600         | 214,500                  |
| A-5     | CLAY LICK ROAD                | 169,541         | 211,900                  |
| A-5     | TIMBER CREST ROAD             | 154,354         | 192,900                  |
| A-5     | SALT CREEK ROAD               | 93,093          | 116,400                  |
| A-5     | CLAY LICK-TIMBER CREST        | 101,224         | 126,600                  |
| A-6     | UNITY CHURCH-BITTERSWEET      | 501,215         | 626,500                  |
| A-6     | HOMESTEAD ROAD                | 77,220          | 96,500                   |
| A-6     | GATESVILLE ROAD               | 93,737          | 117,200                  |
| A-6     | GEORGETOWN ROAD BOOSTER       | 77,000          | 96,300                   |
| A-6     | LAKE LEMON WATER STORAGE TANK | 247,500         | 412,400                  |

\$2,252,400

TOTAL ESTIMATED CONSTRUCTION COST

|                               | IDEM submittal | Bid        | Award      | Start<br>Construction | Substantial<br>completion |
|-------------------------------|----------------|------------|------------|-----------------------|---------------------------|
| MT. NEBO BOOSTER              | 6/10/2007      | 7/16/2007  | 8/15/2007  | 9/1/2007              | 7/31/2008                 |
| WALLOW HOLLOW ROAD            | 6/10/2007      | 7/16/2007  | 8/15/2007  | 9/1/2007              | 7/31/2008                 |
| CLAY LICK ROAD                | 6/10/2007      | 7/16/2007  | 8/15/2007  | 9/1/2007              | 7/31/2008                 |
| TIMBER CREST ROAD             | 6/10/2007      | 7/16/2007  | 8/15/2007  | 9/1/2007              | 7/31/2008                 |
| SALT CREEK ROAD               | 6/10/2007      | 7/16/2007  | 8/15/2007  | 9/1/2007              | 7/31/2008                 |
| CLAY LICK-TIMBER CREST        | 6/10/2007      | 7/16/2007  | 8/15/2007  | 9/1/2007              | 7/31/2008                 |
| UNITY CHURCH-BITTERSWEET      | 9/30/2007      | 10/31/2007 | 11/15/2007 | 12/15/2007            | 12/15/2008                |
| HOMESTEAD ROAD                | 9/30/2007      | 10/31/2007 | 11/15/2007 | 12/15/2007            | 12/15/2008                |
| GATESVILLE ROAD               | 9/30/2007      | 10/31/2007 | 11/15/2007 | 12/15/2007            | 12/15/2008                |
| GEORGETOWN ROAD BOOSTER       | 9/30/2007      | 10/31/2007 | 11/15/2007 | 12/15/2007            | 12/15/2008                |
| LAKE LEMON WATER STORAGE TANK |                |            | 6/1/2007   | 6/15/2007             | 12/15/2007                |

## TABLE 3

[illegible]

### Description

[illegible]

Brown County Water  
PER Draw Down Schedule

TABLE 4

|       | Project                       | Estimated Construction Cost | June-07 | July-07 | August-07              | September-07 | October-07 | November-07 | December-07 | January-08 | February-08 | March-08  |
|-------|-------------------------------|-----------------------------|---------|---------|------------------------|--------------|------------|-------------|-------------|------------|-------------|-----------|
|       | MT. NEBO BOOSTER              | \$41,200                    |         |         |                        | \$2,060      | \$6,180    | \$6,180     | \$6,180     | \$4,120    | \$2,060     | \$2,060   |
|       | WALLOW HOLLOW ROAD            | \$214,500                   |         |         |                        | \$10,725     | \$32,175   | \$32,175    | \$32,175    | \$10,725   | \$10,725    | \$10,725  |
|       | CLAY LICK ROAD                | \$211,900                   |         |         |                        | \$10,595     | \$31,785   | \$31,785    | \$31,785    | \$21,190   | \$10,595    | \$10,595  |
|       | TIMBER CREEK ROAD             | \$192,900                   |         |         |                        | \$9,645      | \$28,935   | \$28,935    | \$28,935    | \$19,290   | \$9,645     | \$9,645   |
|       | SALT CREEK ROAD               | \$116,400                   |         |         |                        | \$116,400    | \$17,460   | \$17,460    | \$17,460    | \$11,640   | \$5,820     | \$5,820   |
|       | CLAY LICK-TIMBER CREST        | \$126,600                   |         |         |                        | \$6,330      | \$18,990   | \$18,990    | \$18,990    | \$12,660   | \$6,330     | \$6,330   |
|       | UNITY CHURCH-BITTERSWEET      | \$628,500                   |         |         |                        |              |            |             |             | \$62,650   | \$31,325    | \$31,325  |
|       | HOMESTEAD ROAD                | \$96,500                    |         |         |                        |              |            |             |             | \$9,650    | \$4,825     | \$4,825   |
|       | GATESVILLE ROAD               | \$117,200                   |         |         |                        |              |            |             |             | \$11,720   | \$5,860     | \$5,860   |
|       | GEORGETOWN ROAD BOOSTER       | \$96,300                    |         |         |                        |              |            |             |             | \$9,630    | \$4,815     | \$4,815   |
|       | LAKE LEMON WATER STORAGE TANK | \$412,400                   |         |         |                        |              |            |             |             | \$41,240   | \$20,620    | \$20,620  |
| Total |                               | \$2,252,400                 |         |         |                        | \$45,175     | \$135,525  | \$135,525   | \$202,970   | \$225,240  | \$112,620   | \$112,620 |
|       |                               |                             |         |         | Subtotal Running Total | \$45,175     | \$180,700  | \$316,225   | \$519,195   | \$744,435  | \$857,055   | \$969,675 |

| Project                       | April-08    | May-08      | June-08     | July-08     | August-08   | September-08 | October-08  | November-08 | December-08 | Total       |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|
| MT. NEBO BOOSTER              | \$6,180     | \$4,120     | \$1,236     | \$824       |             |              |             |             |             | \$41,200    |
| WALLOW HOLLOW ROAD            | \$32,175    | \$21,450    | \$6,435     | \$4,290     |             |              |             |             |             | \$214,500   |
| CLAY LICK ROAD                | \$31,785    | \$21,190    | \$6,357     | \$4,238     |             |              |             |             |             | \$211,900   |
| TIMBER CREST ROAD             | \$28,935    | \$19,290    | \$5,787     | \$3,858     |             |              |             |             |             | \$192,900   |
| SALT CREEK ROAD               | \$17,460    | \$11,640    | \$3,492     | \$2,328     |             |              |             |             |             | \$116,400   |
| CLAY LICK-TIMBER CREST        | \$18,990    | \$12,660    | \$3,798     | \$2,532     |             |              |             |             |             | \$126,600   |
| UNITY CHURCH-BITTERSWEET      | \$62,650    | \$93,975    | \$125,300   | \$93,975    | \$62,650    | \$18,795     | \$6,265     | \$0         | \$6,265     | \$626,500   |
| HOMESTEAD ROAD                | \$9,650     | \$14,475    | \$19,300    | \$14,475    | \$9,650     | \$2,895      | \$965       | \$0         | \$965       | \$96,500    |
| GATESVILLE ROAD               | \$11,720    | \$17,580    | \$23,440    | \$17,580    | \$11,720    | \$17,580     | \$1,172     | \$0         | \$1,172     | \$117,200   |
| GEORGETOWN ROAD BOOSTER       | \$9,630     | \$14,445    | \$19,260    | \$14,445    | \$9,630     | \$2,889      | \$963       | \$0         | \$963       | \$96,300    |
| LAKE LEMON WATER STORAGE TANK | \$41,240    | \$61,860    | \$82,480    | \$61,860    | \$41,240    | \$12,372     | \$4,124     | \$0         | \$4,124     | \$412,400   |
| Subtotal                      | \$270,415   | \$292,685   | \$296,885   | \$220,405   | \$134,890   | \$40,467     | \$13,489    | \$0         | \$13,489    | \$2,252,400 |
| Running Total                 | \$1,240,090 | \$1,532,775 | \$1,829,660 | \$2,050,065 | \$2,184,955 | \$2,225,422  | \$2,238,911 | \$2,238,911 | \$2,252,400 |             |